

BROKER PROGRAMS FAQ

Updated on February 10, 2014

BROKER TRAINING

Register for and take online VHC training at:

<https://vermonthhealthconnect.globalclassroom.us/portal/>

What are the requirements for a broker to be registered on Vermont Health Connect?

- Possess a valid VT Producers License with qualifications for Accident and Health
- Complete all Vermont Health Connect training requirements
- Agree to and sign the Vermont Health Connect Broker Registration Agreement (access and upload this signed and completed document within the LMS Courses – Module 8)

What training classes do I have to take?

All licensed brokers are required to complete “Vermont Health Connect” Broker Registration training. Required training consists of nine modules which can be taken online (module 7 – Outreach & Education is only required for Navigators). Module 8 - Data Privacy & Security and Module 9 - Vermont Health Connect Systems and Web Portal are now available online. There are no exams associated with Modules 8 and 9.

Is there an exam associated with the training?

There is just one exam and it is for Modules 1 through 6. This is different from the pre- and post-module tests. If you fail, you will have one more attempt.

How do I sign the Broker REGISTRATION Agreement?

The signing of this agreement is part of the required Data Privacy & Security course, Module 8, which is currently available online. This document must be printed, signed by the broker, uploaded and stored on the learning management system Global Classroom site.

What is the purpose of Attachment B: Broker Identification Record of the Broker Registration Agreement?

The questions on the Broker Registration Agreement are intended for disclosure of potential conflicts of interest. The broker should disclose all lines of health insurance and all relationships with carriers

outside of the exchange. We will not do anything with this information unless there is a conflict of interest complaint to investigate.

How do I sign the Broker DESIGNATION Agreement?

This is an agreement between the client and the broker. This document must be printed and then signed by both the client and the broker. The Broker Designation Agreement document is available at http://healthconnect.vermont.gov/information/community_partners/brokers. Both parties should retain copies of the Broker Designation Agreement. You will be asked to provide a copy of this agreement to Vermont Health Connect.

Can I create my own Broker DESIGNATION Agreement?

No, by signing the Broker Registration Agreement the broker agrees to follow the template provided by VHC. Brokers and their clients are free to add on other services if they so choose.

Will I earn continuing education credits towards my producer licensing requirements?

Once all course training is successfully completed, 21 continuing education credits will be awarded by Prometric. The cost for these credits will be paid by the Vermont Health Connect. Please note that course credits have only been approved for Vermont licensing requirements.

How long is the training good for? When do we have to get re-trained?

Training is good for two years. Any new training will be through the Vermont Health Connect.

What training will be required for non-resident brokers and web-brokers/entities (if applicable) wishing to place business through Vermont Health Connect beginning in 2014?

Completion of all training requirements is the same for all resident and non-resident licensed brokers. Web-brokers are not permitted on Vermont's health insurance marketplace.

BROKER FEES & COMPENSATION

How will brokers get paid in the new healthcare Marketplace?

Under Vermont legislative Act 171, premiums for Qualified Health Plans offered on Vermont Health Connect (VHC) in 2014 cannot have broker commissions built into the premium. The Department of Vermont Health Access (DVHA) has been tasked by the Legislature to create a new broker

compensation/fee schedule and develop a payment mechanism. Input has been gathered from brokers, employers, the Broker Advisory Group, Small Business Advisory Group, the Medicaid & Exchange Advisory Board, and from numerous public comments.

How much will brokers get paid?

It was determined that brokers will receive \$20 per month for each employee or individual designating a registered broker and receiving assistance to enroll into a qualified health plan offered on Vermont Health Connect. The same fee applies to single, two-person or family coverage. This fee level was approved by the Commissioner of the Department of Vermont Health Access and will apply to calendar year 2014 only. A broker fee schedule applying to 2015 or beyond will be considered during the first half of 2014 and announced no later than July 1, 2014. This \$20 fee is a total fee and inclusive of any ongoing costs related to invoicing and collection.

The broker fee is \$20 PEPM or per individual per month for all 2014 VHC plan enrollees designating a VHC broker. For employers only, there is a special broker fee reimbursement fund of \$2 million for 2014 only. For every \$20 fee paid by an employer, \$7 will be reimbursed directly to the employer by the State. This reimbursement fund is projected to last through all or most of 2014 thus making the net broker fee paid by employers to be \$13. This reimbursement will come as a quarterly payment issued by the State. Paylogix, the Third Party Administrator, will provide the data on employer payments. Reimbursements will occur on a calendar quarterly basis roughly six weeks after the close of the quarter.

The Paylogix TPA fee will be subtracted from the broker fees collected before you receive your commission. The Department of Vermont Health Access will subsidize \$1.00 of the \$1.50 TPA administrative fee making the cost \$0.50 for the monthly \$20 fee for employees and individuals.

The employers who chose not to offer 2014 employer coverage, yet still want to pay broker fees for their employees who enrolled as Individuals can be accommodated. The first monthly invoice will be sent to the Individual and should be collected by the employer to be paid by the employer. The employer should notify Paylogix to group these employee invoices into one employer invoice.

Broker fees are based on signed, completed and current Broker Designation Agreements submitted to Vermont Health Connect. If the BDA is not submitted in time for fee processing, there is no evidence for

Paylogix to send invoices or collect payments. Brokers cannot be paid without submission of BDAs prior to the data processing cycle on the 22nd of each month (or, if holiday or weekend, next business day).

The carriers will provide a snapshot-in-time of enrollment on the 27th of each month. This may or may not line up directly with the timing of enrollment coverage changes. The 22nd of the month is expected to reflect most if not all enrollment updates for that month.

Employers and individuals who have designated brokers will be encouraged to set-up an online account with Paylogix to monitor amounts owed and to have ability to pay online.

Please be sure the Employer or Individual designates their broker in the Vermont Health Connect system by submitting a signed and completed Broker Designation Agreement. This will be the source of information for billing.

Who will be responsible for collecting the fee from the employer if they choose not to pay the bill?

In Vermont's new healthcare marketplace, individuals or employers who choose to work with a broker will pay a broker fee to the designated broker, with monthly or quarterly billing coordinated by a centralized Third Party Administrator (TPA) under contract with the State of Vermont. The TPA will handle the invoicing, collection and payment processes related to broker fees. The State has issued a Request-for-Proposals and will select a TPA vendor through a competitive bidding process.

Are subsidies available to help small employers pay broker fees?

Vermont Health Connect has secured a \$2 million federal grant to subsidize a portion of the fees employers pay brokers during the first year of Vermont Health Connect. This grant money is to be used to reimburse employers making payments to brokers in 2014. Small employers will receive approximately one-third reimbursement for fees paid for the use of in-person enrollment assistance of a registered broker. The State of Vermont will reimburse small employers \$7 PEPM for broker fees paid in 2014 while the \$2 million fund is available. This will allow employers to plan and budget for an approximate \$13 net PEPM cost for broker fees in 2014.

In 2014, the State of Vermont will issue quarterly reimbursements to small employers for broker fees actually paid. These will follow approximately six weeks after the end of the calendar quarter. The \$7 PEPM reimbursement will be non-taxable to the employer. For the final quarter of 2014, the State will do a special calculation of the grant fund amount left available divided by fees paid for the total year and come up with a modified PEPM to finish out the fund. The final computation will be made on the

total population served for the year not just the final quarter. Any final payment will not exceed actual employer cost.

Note: It is estimated that the reimbursement fund will be available for all four quarters of 2014. If funds remaining for the third quarter reimbursement will not accommodate a \$7 PEPM, then the final quarter disbursement method described above will be followed.

Will I get paid for helping Vermonters enroll in Vermont Health Connect as individuals (not through an employer)?

Yes, brokers will be trained and authorized to enroll individuals into qualified health plans offered on Vermont Health Connect. Brokers will be paid the same amount whether providing enrolling an individual or an employee on Vermont Health Connect. In order to ensure payment and determine expectations of both parties, individuals (and employers) will be required to sign an agreement with their chosen broker.

Will brokers be compensated for dental enrollments?

Under Act 171 which defines the state-based program there is no broker compensation for dental enrollment. The Act speaks to QHPs (medical only) therefore dental was determined to be outside the scope.

When a client selects me to help them with enrollment, how long are they committing to work with and pay me?

Clients will sign a Vermont Health Connect Broker Designation Agreement which is an agreement between the broker and the client. As part of the agreement, the client will agree to pay broker fees for the length of the policy term, or while they remain in coverage for the plan the broker assisted with enrollment.

Can I charge consulting fees for my services in addition to the Vermont Health Connect broker fee?

Yes, brokers are permitted to charge additional fees for services beyond the required scope of duties outlined in the VHC broker agreement. These will not be part of the TPA process but must be billed separately and agreed to by client in a separate fee for service agreement.

Can a broker waive or reduce their exchange broker fees?

No, the State has determined that this is not allowable under Act 171. If a formally designated broker on

the VHC system and with a signed Broker Designation Agreement, fees must be charged and reported according to the fee schedule approved by the Commissioner of the Department of Vermont Health Access. Only brokers who are formally designated by clients on the VHC system can actually perform enrollments on behalf of the client.

If a broker becomes a navigator, can they continue to receive commissions?

If a current broker becomes a certified navigator, the State has determined they may continue to receive trailing broker commissions through 2013 as long as, upon certification as a navigator, they do not add any new enrollees under commission structure. Brokers must also comply with all relevant disclosure requirements as outlined in the broker registration and designation agreements.

BROKER & EMPLOYER-RELATED QUESTIONS

There may be times when another broker at the same agency may want to provide support services. Can more than one broker be designated on the VHC system and allowed to provide support services?

Initially, only one registered broker can be designated by the employer but once that occurs, other registered brokers from the same firm can be added and service the account too. These additions can only occur with a call to our Customer Support Center.

When an employer determines the plans they will offer to employees, can they choose to fund just one specific plan?

No. An employer can only choose to: 1) offer all plans from one carrier, or 2) offer all plans from both carriers.

For employer contributions, can they be a percentage of plan costs or a fixed dollar amount?

An employer can elect to contribute a flat dollar amount or a percentage. Percentages will be translated into a flat dollar amount. If an employer elects a percentage contribution, they will choose to offer their contributions based on a "Reference Plan" which is a plan that the employer wants to base their contribution amounts on. Either way, the employees will see flat dollar amounts on their selection page.

Can an employer differentiate their contributions to a single versus a family plan?

Yes.

Will sole proprietors use Vermont Health Connect as individuals or as employers? What about their family members who may also be employees?

Sole proprietors are considered individuals and will access health coverage through Vermont Health Connect accordingly. Family members who are employees will also access coverage as individuals. If a sole proprietor has one or more employees who are not family members, he/she may sponsor employer coverage for the non-family member employees. If the sole proprietor offers coverage to all of his/her full time employees, the sole proprietor and his/her family may participate in the employer plan (assuming the employer meets all other eligibility criteria).

Must a small employer continue to offer employer-sponsored health coverage through Vermont Health Connect?

No, a small employer does not have to continue offering coverage. A small employer could choose to stop offering employer-sponsored coverage and their employees may be eligible for coverage as Individuals in Vermont Health Connect. If interested in continuing employer-sponsored coverage, small employers may only purchase coverage through Vermont Health Connect in 2014.

Can a business that decides not to offer coverage still get help paying for a broker who comes into to help employees sign up individually?

Yes. At the very least, individuals could be invoiced and bring in their broker invoices to their employer for them to pay, if an employer agrees. We will work with the selected TPA to find a more simplified and direct way to bill the employer who makes this choice.

If an employer has employees in other states (NJ, MD, etc.), can the employee of a Vermont employer can get their insurance in Vermont or their home state? Would the employer pay a bill from the other state's Exchange?

Vermont employers will be able to offer their out-of-state employees plans through Vermont Health Connect. It's up to employers to make sure the plan options they pick for their employees covers the network out-of-state employees will utilize. Employers can also offer plans on out-of-state Exchanges (where the employee resides), if the plans on Vermont Health Connect lack necessary networks.

Can an employee choose to opt-out of the employer-offered plan and go into the Exchange as an Individual and get government subsidies and tax credits?

Employees may choose to opt-out of their employer plan and enter the Exchange as an Individual but the only way they will get government subsidies and tax credits is if their employer plan is determined unaffordable.

OTHER

Can brokers develop their own forms showing a broker designation or will the State be issuing a standard form for “clients” to sign?

No, the State has a standard Broker Designation Agreement form for all brokers to use and this is found at http://healthconnect.vermont.gov/information/community_partners/brokers. Brokers agree to follow the template provided by VHC in signing the Broker Registration Agreement. Brokers and their clients are free to add on other services if they so choose.

I have heard there is an Exchange Broker Advisory Group. What is its purpose and who is on it?

The group’s purpose is to offer objective and representative broker views and advice on the programs of the Vermont Health Benefit Exchange that affect brokers. Members include:

<u>Person</u>	<u>Agency</u>	<u>Location</u>
Mary Eversole	Vermont Insurance Agents Assn.	Montpelier
Tom Rugg	Hickok-Boardman	Burlington
Carl Wyman	Wyman Agency, Inc.	Perkinsville
Angela Arbolino	Finn & Stone	Manchester
Tim Ford	Hackett,Valine & MacDonald	South Burlington
Mike Quinn	Independent	Ferrisburgh
Bill Gardyne	Associated Insurance	Newport
Ron Bixby	Ludlow Insurance	Ludlow
Tom Scull	The Richards Group	Brattleboro
Mitch Fleischer	Fleischer-Jacobs Group	South Burlington
Carolyn Smith	Northern Benefits	Burlington

Will VHC allow out-of-state web-brokers/entities and/or non-resident brokers in the individual market?

Licensed non-resident brokers who meet all registration requirements can work with plans on Vermont Health Connect. Web brokers are not allowed.

Can non-resident brokers use their current license to market QHPs in Vermont through Vermont Health Connect?

Yes, if they meet the all other requirements and are certified by Vermont Health Connect.

Do I have to be appointed by an insurance carrier to enroll people in Vermont Health Connect?

No. As part of the broker registration agreement, Vermont Health Connect brokers cannot have a carrier relationship or receive compensation or incentives related to qualified health plans on Vermont Health Connect. However, brokers can continue to receive commissions from lines of business in the large group market that are not on Vermont Health Connect.

Are employees of insurance carriers allowed to enroll people directly in Vermont Health Connect?

No. Only certified navigators, Certified Application Counselors and registered brokers are allowed under the law to enroll individuals or groups on Vermont Health Connect. None of these assisters can be employees of insurance carriers.

Do insurance carrier employees have to be certified like brokers and navigators?

No. And they cannot be both a certified navigator/broker and a carrier employee at the same time.

Are insurance carriers allowed to enroll individuals or groups in Vermont Health Connect?

No.

Are insurance carrier employees allowed to serve in a broker capacity if they are licensed?

No.

What will be the process for collecting premiums from people?

The State of Vermont has contracted with a premium processor to conduct premium billing for Vermont Health Connect. Individuals will be invoiced on the 5th of each month and can pay their premium by mail.

Are brokers allowed to facilitate enrollment in Medicaid, Dr. Dynasaur, Vpharm, VermontRx and other public programs?

Yes, but they will not receive broker fees for enrollments that are not in Qualified Health Plans.

Can brokers and Navigators work together?

Navigators shall not be engaged to assist with enrollment of customers who are covered by a Broker agreement. The Navigator Conflict of Interest Framework, which is part of each Navigator organization's grant agreement with Vermont Health Connect, Navigators, states that Navigators "shall not in any way solicit or persuade customers to engage a particular agent or broker. (2.1.8)"

- Navigators are specifically prohibited from promoting the services of a particular broker.
- Public events and presentations should not be co-hosted, co-organized or co-sponsored by Navigators and brokers.
- Brokers and Navigators may attend meetings/presentations hosted by the other, but as an audience member only. A broker/Navigator attendee may not present at an event hosted by the other and may not in any way market their services or solicit customers at the event.

PLEASE NOTE: Additional questions and answers will be distributed on a periodic basis throughout 2013.

Brokers can submit additional questions to vthealthconnect@state.vt.us.

Brokers can also call the VHC Navigator, Broker and CAC Hotline at 1-855-554-4488.

For questions about Delta Dental products, brokers and Navigators should call 1-800-329-2011.